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ORGANIZING CHANGE. GETTING RESULTS.

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Testimony re: HB 4314 presented by:

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TO: Rep. Ken Horn, Chairman

Members of House Energy and Technology Committee

Today's demands for technology are growing each day. Your constituents, our members want cutting edge, quality and affordable technology services.

In today's world, most everyone is touched, on any given day, by the need to be connected, in a very different way than even last year. No matter whether consumers are in their work place, in their homes or away from home, mature, youth and or in-between the need and demand for communication services is a top priority in their daily lives: The provision of these services requires for consumers requires:

- 1) Superb networks which will carry their communication(s) – whether voice or data – quickly – without spots where service is not available.
- 2) Assuring that all corners of the state have broadband service
- 3) Consumers have protections- along with a vast array of choices to meet their communication needs
- 4) Protections for consumers who are most vulnerable – those who need special services – those who are aging and lower income
- 5) Assure that consumers of telecommunication services know where to turn for assistance, if they experience a problem with their telecommunication provider.

While doing the analysis of this legislation, we identified the following key consumer issues:

- 1) Removal of the automatic phone book delivery for each customer
- 2) Quality service rules- which will no longer exist after 6/30/11
- 3) Service requirement – if services are to be removed
- 4) Reporting of data to Michigan Public Service Commission
- 5) MPSC vs. Attorney General for consumer protection – Consumer Protection Act
- 6) House Committee to hear the annual report – prepared by FCC – re: Michigan state of competition for telecommunication services
- 7) Report by Attorney General -- re: complaints filed, resolved. The implication of these on the market place.
- 8) Primary basic local service – no longer required

HB 4314 addresses these issues:

- 1) Phone book distribution

2011 finds us using the internet more often to find a phone number rather than the trusty phone book. Our first reaction was one of great concern that this important document

would be missed by consumers - approximately 1 in 10 persons have told us that they still use a phone book – as the first place where they get information. We actually learned more consumers were concerned with the publishing of a book – which they are not using.

### **Quality Service Rules**

While it has been our position having quality service rules is a necessary set of consumer protection rules, consumers have told us that if the service is so poor, they are going to change providers, in an effort to get the service which closely mirrors the service outlined in the rules. I want to be clear organizationally we continue to support quality service rules as a safeguard for consumers but understand that these rules are not in place, at this time.

### **Service changes – requirement of similar service prior to ceasing to provide service.**

Section 313 – Is extremely important – prior to discontinuing service to an exchange – there must be one or more alternative telecommunications provider who provides similar services. For consumers, this could be devastating to have a company cease to provide services to an exchange area – leaving them with no service available.

### **Reporting of data to Michigan Public Service Commission – annually**

As this requirement is deleted, it is important to note that the data is required to be provided to FCC annually – who prepares an annual report which details the state of competition. This report is available on the FCC website. It is our request that this House Energy and Technology Committee – review this report – on an annual basis to assure that the state of competition of services available is where it should be, to assure that services provided are meeting the needs of consumers. It is your responsibility to assure that the changes made to the Michigan Telecommunications Act are actually achieving what were intended.

### **Michigan Public Service Commission vs. Michigan Attorney General's Consumer Protection responsibilities.**

The Consumer Protection Act clearly gives the Attorney General the responsibility to protect consumers, as it relates to purchases and delivery of services – for telecommunication services. It is imperative that our Attorney General assure consumers that their complaints will be filed, researched, addressed and resolved in the best possible manner. The Consumer Protection Act requires the telecommunication company to provide a detailed statement of the purchases which the consumer has made. Consumers must know that they have a place to report a company which does not comply with this requirement.

### **Primary Basic Local Service**

As the uses of telecommunication services have changed, so the need for certain required services thus the Primary Basic Local Service has outlived its effectiveness.